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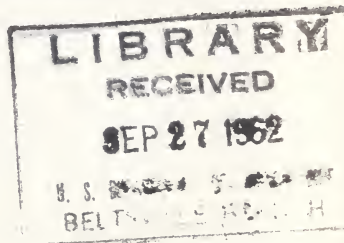
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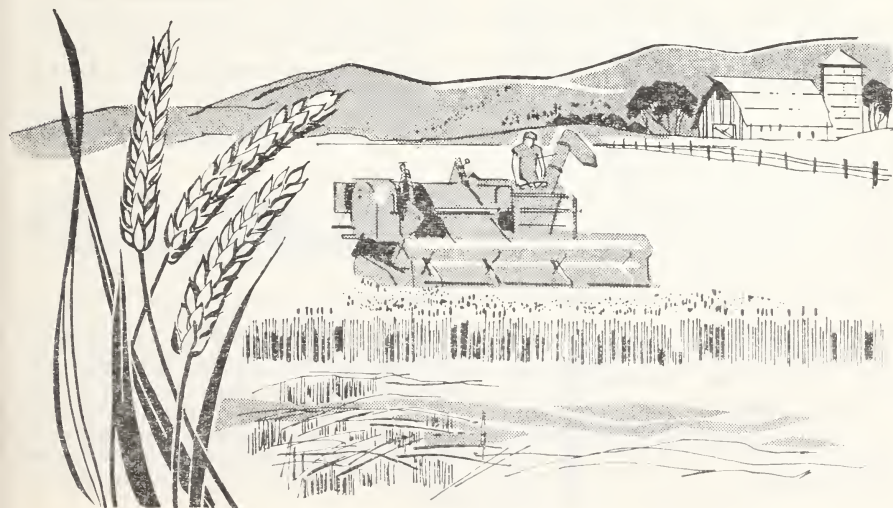
MARKETING QUOTAS IN EFFECT FOR 1963 WHEAT

Preliminary returns from the August 30 referendum in the 39-State commercial wheat-producing area show that 68.4 percent of the farmers participating in the referendum voted in favor of marketing quotas on the 1963 crop of wheat.

With wheat marketing quotas proclaimed by the Secretary of Agriculture last June 26, as in effect on approval by two-thirds or more of

farmers voting in the referendum, marketing quotas will be in effect for the 1963 crop. Only growers in any one of the 39 commercial wheat States, who will have more than 15 acres of wheat for harvest as grain in 1962, were eligible to vote in the referendum.

The vote in this year's referendum marks the 12th time farmers have voted for marketing quotas on wheat and continued their record of approval. Under



the present law, if marketing quotas are not approved, growers would receive price support at 50 percent of parity if they comply with acreage allotments, and no support if they do not comply.

With the minimum national acreage allotment of 55 million acres in effect for 1963, it is estimated that about 52.5 million acres may be harvested. Should the yield per harvested acre equal 25.5 bushels (the national average yield in recent years, adjusted for trend), a crop of about 1,340 million bushels would be produced. In 1961, when the same program was in effect, the harvested acreage was 51.6 million acres and the yield, 23.9 bushels per harvested acre. A year earlier, the harvested acreage was 51.9 million acres and the yield, 26.2 bushels per acre.

A crop of 1,340 million bushels would be 26 percent above the 1,063 million indicated for 1962 and 19 percent above the 1951-60 average of 1,129 million bushels. Domestic disappearance is estimated at about 595 million bushels, and exports are tentatively placed at 625 million. With imports of about 6 million bushels, this would point to an increase in the July 1, 1964, carryover of about 125 million bushels. At the end of 1961-62, the carryover was reduced by about 100 million bushels, and by the end of the 1962-63 year it is expected to be reduced again by 150 million bushels.

The minimum national average support price of \$1.82 per bushel for 1963-crop wheat was announced on June 26. This compares with \$2.00 for the 1962 crop and \$1.79 for the 1961 crop. The \$1.82 - per - bushel - minimum average support price for 1963-crop wheat is 75 percent of the June 1962 modernized parity of \$2.42 per bushel. This "advance" minimum will not be reduced but may be increased if the combina-

tion of the wheat parity price and wheat supply relationships as of July 1, 1963, indicates a higher price.

In the noncommercial States (11 States which have wheat allotments of 25,000 acres or less) price support will be at 75 percent of what the rate would be if a State had been in the commercial area.

Price support will be accomplished through loans on farm-stored and warehouse-stored wheat as well as through purchase agreements. Loans will be available through county Agricultural Stabilization and Conservation Service (ASCS) offices.

The penalty rate on "excess" wheat under legislation for 1961 and prior crops was 45 percent of the parity price per bushel of wheat as of May 1, the year of harvest. The penalty on the farm marketing excess is determined by multiplying the acres on the farm, in excess of the farm allotment, by both the normal yield per acre established for the farm and the penalty rate per bushel.

Several provisions authorized by the Agricultural Act of 1961 for the 1962 wheat stabilization program, such as: (1) The mandatory 10-percent farm reduction below the 55-million-acre minimum allotment; (2) the increased marketing quota penalty rate and marketing quota bushelage excess; and (3) the smaller acreages for exemption of small farms from quota penalties, will not be in effect for the 1963 program.

Robert Post
Economic Research Service



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DECLINE IN MILL USE OF COTTON MAY BE OFFSET BY INCREASED EXPORTS

Disappearance of cotton in the United States during the 1962-63 marketing year (August 1, 1962, through July 31, 1963) is estimated at 14.0 million bales. This is about the same disappearance as during the 1961-62 marketing year but is slightly below the previous 5-year average of 14.1 million bales. During 1962-63, a decline in mill consumption from a year earlier is expected to be offset by an increase in exports.

Consumption of cotton by domestic textile mills during the 1962-63 marketing year is estimated at 8.8 million bales. Although this is 200,000 bales less than consumption in 1961-62, it is 500,000 bales above 1960-61 and 200,000 bales above the average consumption for the past 5 years.

The relatively high level of mill consumption estimated for the 1962-63 marketing year is indicated by an expected high level of general economic activity and by a relatively low ratio of mill stocks to unfilled orders for broad-woven goods. Factors which could cause a lower level of cotton consumption than estimated include a slowdown in economic activity and large increases in cotton textile imports and consumption of synthetic fibers during 1962-63.

The production and use of synthetic fibers, which tend to reduce the level of cotton consumption, have been increasing at a rapid rate. Production of rayon and acetate for the first 6 months of calendar year 1962 was about 25 percent above a year earlier. Imports of cotton textiles for the same 6 months were equivalent to 346,000 bales of cotton, over 90 percent higher than a year earlier.

U.S. exports of cotton during the 1962-63 marketing year are estimated at 5.2 million bales, up from the 5.0 million bales exported in 1961-62. Factors which will affect U.S. exports during 1962-63 include production and consumption of cotton in the foreign free world and changes in foreign stocks of cotton, particularly those in major importing countries.

Early season estimates indicate that production of cotton in the foreign free world in 1962-63 will be greater than in the previous year. Consumption of cotton, however, is expected to remain near the high level of 1961-62, and further reduction of cotton stocks in foreign free world importing countries seems unlikely during 1962-63. The decline in U.S. exports during 1961-62 reflected, among other things, the working down of cotton stocks in foreign free world importing countries. Such stocks were reduced nearly a million bales during 1961-62.

The U.S. cotton crop for 1962 was estimated at 15.0 million running bales as of August 1. This is about 700,000 bales, or 5 percent, above the 1961 crop of 14.3 million bales. The estimated per acre yield for the 1962 crop of 461 pounds is 23 pounds above the 1961 yield and equals the second highest yield in 1959. The record high yield was 466 pounds in 1958.

Prices received by farmers for upland cotton during the 1961-62 season were the highest since 1958-59. Prices received for the 1961 crop generally averaged above the support price. For the 1962 crop, a minimum national average support price of 31.88 cents per pound has been announced—the same as for the 1961 crop. The minimum 1962-crop support price for Middling 1-inch cotton is 32.47 cents per pound compared with 33.04 cents per pound for the 1961 crop.

The carryover of cotton in the United States on August 1, 1962, totaled about 7.8 million bales—about 600,000 more than a year earlier when the carryover was the smallest since 1953. During the 1950's the carryover trended upward from a low of 2.3 million bales on August 1, 1951, to a record high of 14.5 million bales on August 1, 1956. Since the record high, the carryover has trended downward, reaching a low of 7.2 million bales on August 1, 1961.

James Donald
Economic Research Service

RECORD SOYBEAN SUPPLIES IN 1962-63; EXPORT OUTLOOK BRIGHT

The 1962-63 supply of soybeans is placed at a record 758 million bushels, up 59 million from the previous year. The increase is attributed primarily to larger beginning stocks on October 1, 1962, which are now estimated at 55 million bushels (about 40 million of which will be owned by CCC) compared with a mere 6 million on October 1, 1961.

The 1962 soybean crop, as of August 1, was estimated at 703 million bushels compared with the last year's record 693 million. Soybean acreage for beans in 1962 is up 2 percent, and yield expectations are about the same as last year's record high.

Prices

The seasonal swing in soybean prices during the 1962-63 marketing year probably will be small, as was the case last year, because prices will be linked closely to the CCC price support operations. Price supports will place a floor under the market this fall when marketings are at their peak and, later on in the year, the CCC resale price probably will set the ceiling.

Prices to farmers for 1962-crop soybeans are being supported at a national average farm price of \$2.25 per bushel, 5 cents less than last year. Loans and purchase agreements are available through January 1963. Loans mature on May 31, 1963.

Prices to soybean growers during the heavy harvesting season this fall probably will average about 5 cents below the support rate of \$2.25 per bushel. Last October-December, prices for the 1961 bean crop averaged \$2.26 per bushel, 4 cents below the support level. Farmers this year likely will participate heavily in the CCC support program to protect themselves against seasonally low bean prices.

After the heavy harvesting period, prices to farmers likely will return to the loan level, advancing seasonally to reflect storage costs. The CCC prob-

ably will take over a substantial amount of 1962 crop soybeans on June 1, 1963. The CCC sales prices will tend to become the market price during the summer as soybean crushers and exporters turn to the Government for supplies to meet commitments for the remainder of the marketing year.

Crushings

Soybean crushings in 1962-63, prompted mainly by meal demand, probably will not differ much from the record 435 million bushels estimated for 1961-62. Soybean exports are expected to increase 10-15 percent from the 160 million bushels in 1961-62, and if seed and feed requirements are about the same as in recent years, carryover stocks of soybeans on October 1, 1963, will be in the neighborhood of 100 million bushels, about double the carryover on the same date this year. Most of the carryover of 1962-crop beans likely will be in the hands of CCC.

Exports

The export outlook for edible vegetable oils (soybean and cottonseed) in the 1962-63 marketing year is favorable. Current prospects indicate they probably will equal, or possibly exceed slightly, the 1961-62 total of 1.9 billion pounds, as exports under Government programs continue to comprise a major share of the total. There is a good possibility of new Title I, Public Law 480, programs for large amounts in Asia in 1962-63. Exports of soybean oil for dollars to Spain may turn out to be substantial, if frost damage to the olive crop keeps Spain from having as large a crop in 1962-63 as anticipated earlier. On the other hand, butter exports (largely in the form of butter oil) under the foreign donations program (Title III, Public Law 480) may total around 200 million pounds in 1962-63, largely displacing the edible vegetable oils that moved under this program in 1961-62.

George W. Kromer
Economic Research Service

FEED GRAIN SUPPLY SMALLER FOR 1962-63

The Nation's feed grain supply for 1962-63 will total about 213 million tons on the basis of August indications, 6 percent less than in 1961-62 and 8 percent below the record supply in 1960-61. The decline in supplies during the past 2 years follows nearly a decade of steadily increasing supplies.

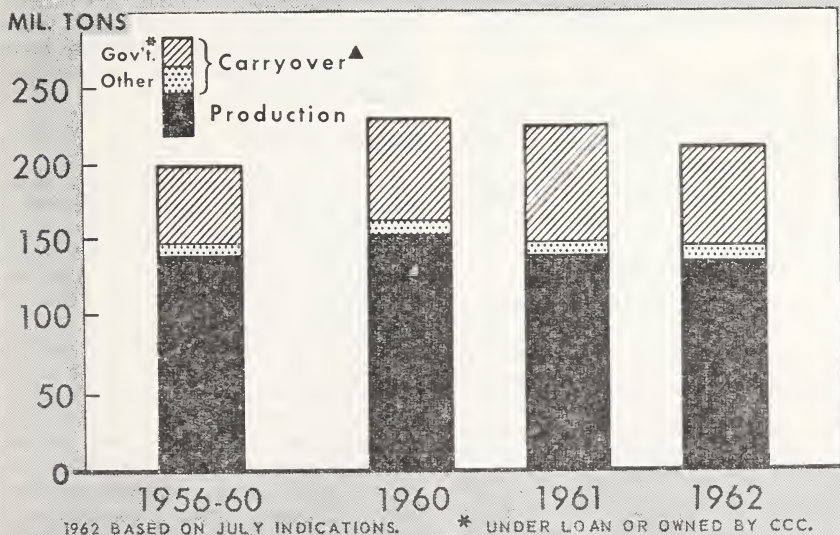
The reduction in feed grain supplies since 1960 has been largely the result of an 18-percent reduction in acreage. The decline in feed grain acreage has been partly offset by increasing yield per acre, which has been trending upward at the rate of about 5 percent per year since 1954. Combined production of the four feed grains for 1962 is estimated at close to 140 million tons, only slightly below production in 1961, but down 16 million tons from the record harvest 2 years ago. Carryover stocks of feed grains into 1962-63 are expected to be about 12 million tons below the 85 million tons carried over into 1961-62.

In 1961-62 total domestic use of feed grains is expected to reach a new record high of about 136 million tons, slightly above the preceding year and 27 percent above 5 years ago. Exports also will set a new record high this year, probably totaling around 17 million tons, more than 4 million tons above the previous record exports in 1959-60.

This heavy total disappearance resulted in the 12 million ton reduction in feed grain carryover during 1961-62, the first reduction in stocks in 10 years. Domestic use of feed grains is expected to continue at a high level in 1962-63, while exports may decline from the record level reached this year. Total disappearance of feed grains probably will again exceed total production, resulting in another reduction in carryover at the close of the 1962-63 season.

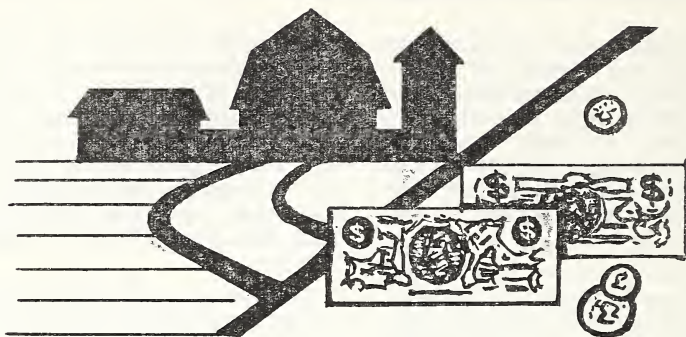
Malcolm Clough
Economic Research Service

FEED GRAIN SUPPLY



▲ CORN & SORGHUM GRAIN-OCT. 1, OATS AND BARLEY-JULY 1.

FARM INCOME LEVELING OFF IN 1962



January-July Developments

Revised estimates of cash receipts from farm marketings through July this year show an increase of about \$150 million, or 1 percent, from the January-July 1961 period. Receipts from crop marketings, at \$6.5 billion, were up over 2 percent from the first 7 months of last year; a 3-percent increase in crop prices more than offset a small drop in the volume of marketings. Cash returns from marketings of livestock and livestock products were about the same as a year ago through July; a fractional drop in prices was offset by a commensurate rise in marketings.

For individual commodities, farmers' cash receipts were substantially higher in January-July 1962 than a year earlier for cotton, cattle and calves, corn, and soybeans. On the other hand, sharply lower receipts were indicated from marketings of wheat, eggs and turkeys, and oranges.

Government payments to farmers through June this year totaled \$531 million compared with \$484 million in the same period of 1961. The increase was due mainly to a higher level of payments under the 1962 Feed Grain Program. Total payments from the Feed Grain and Wheat Programs in all of 1962 could exceed \$1.2 billion compared with \$814 million in 1961 when the Wheat Program was just getting underway.

An increased rate of production expenses is also in the farm income picture this year. The bill for running the farm business in the first half of 1962 was estimated around 2 percent higher than the January-June 1961 rate.

Prices Paid

Prices paid by farmers for production items, interest, taxes, and wage rates averaged about 1.4 percent more than a year earlier through the first 7 months of 1962. Prices of most production items were higher—particularly seed, motor vehicles, and farm machinery. Interest and taxes payable per acre were up about 6 percent, and farm wage rates were 3 percent higher than in January-July 1961.

What's Ahead?

For all of 1962, realized gross farm income is now expected to be close to \$40.5 billion, compared with \$39.9 billion in 1961. This estimate is based on conditions on August 1 and assumes average growing conditions for the remainder of the 1962 growing season. The total volume of farm marketings may be close to the record level of 1961. Increases over 1961-crop marketings are expected for oats, barley, rye, flaxseed, rice, sorghum grain, cotton, dry field peas, soybeans for beans, tobacco, sugar cane, sugarbeets, and hops. Expected lower production of corn, wheat, hay, dry edible beans, peanuts, and potatoes will reduce the volume of marketings from these crops and

probably offset any gains from other crops listed. The volume of farm marketings of livestock and products for 1962 is expected to increase over 1961 as increased marketings of meat animals, milk, and eggs more than offset a small decline in marketings of poultry.

Prices received by farmers likely will average somewhat higher in 1962 than in 1961. Average prices for the broad commodity groups of food grains, feed grains and hay, cotton, tobacco, commercial vegetables, meat animals, and wool are expected to be higher than in 1961. Lower average prices are anticipated for oil-bearing crops, fruit, potatoes, dairy products, and poultry and eggs. Government payments may be about a fourth higher than last year's total of \$1.5 billion.

Production expenses of over \$27.5 billion for 1962 are indicated from the January-June 1962 rate. This compares with a total of \$27.1 billion in 1961. Depreciation, taxes, and interest on farm mortgage indebtedness are ex-

pected to lead the production expense increase. Feed, seed, and livestock expenditures, items originating in the farm sector, are expected to rise, but not as much as the overhead items. A large part of the increase in production expenses can be attributed to expected higher prices for production items and other inputs in 1962, compared with 1961. The quantity of most of the goods and services used in 1962 will not be much different from 1961.

At the present time, it appears that the projected increase in production expenses would offset the anticipated increase in gross receipts. Thus, realized net farm income (a measure of the amount farmers have for family living or investing after allowing for production expenses) may be about the same as the \$12.8 billion realized net farm income estimated in 1961, the highest since 1953.

Q. Francis Dallavalle
Albert R. Kendall
Economic Research Service

WOOL CLIP BELOW 1961 LEVEL

Wool shorn and to be shorn in 1962 is estimated at 248,806,000 pounds (grease basis). Wool production at this level is 5 percent below the 261,370,000 pounds for 1961, but 3 percent higher than the 1951-60 average. This year's shorn wool production is equivalent to 111,963,000 pounds (clean basis), compared with 117,616,000 pounds (clean basis) for 1961.

The total number of sheep shorn and to be shorn in 1962, estimated at 29,392,000 head, is 4 percent below last year but 2 percent above the 10-year average. The estimated weight per fleece is 8.47 pounds this year, compared with 8.50 pounds last year and the 10-year average of 8.43.

Wool production in the 13 Western States estimated at 179,090,000 pounds (grease basis) is 6 percent below the 1961 clip, but 4 percent above the 10-year average.

Sheep shorn and to be shorn for these States in 1962 is estimated at 20,232,000 head. This number is 5 per-

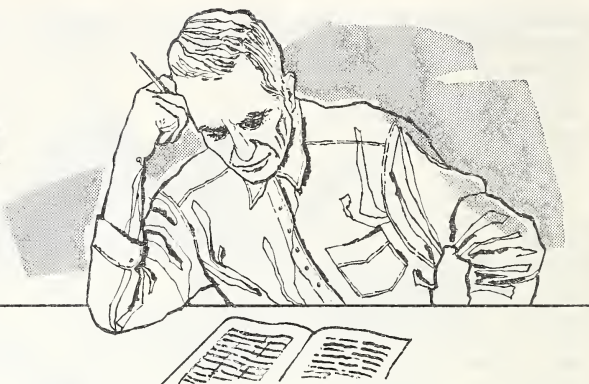
cent less than in 1961, but 4 percent greater than average. The average fleece weight for these States is 8.85 pounds, compared with last year's 8.92 pounds.

Texas, the leading sheep State, expects a wool crop of 47,605,000 pounds—down 9 percent from 1961 but 4 percent above average. A reduction in the estimated number shorn and a decline in the average fleece weight account for the smaller 1962 production.

A wool clip of 69,716,000 pounds is expected this year in the 35 native or "fleece" wool States (excludes 13 Western States). This is down 3 percent from last year and slightly below average. The smaller production for 1962 is the result of a 3-percent decline from last year in the number of sheep shorn. The average weight per fleece in these States, at 7.61 pounds, is slightly heavier than the 7.56 pounds in 1961.

Robert E. Schooley
Statistical Reporting Service

outlook



PRICES, LIVESTOCK AND PRODUCTS

Fed cattle, some moderate declines in fall . . . by year's end under a year earlier . . . *Feeder cattle and calves*, down slightly for rest of year . . . *Cows*, fall seasonal decline . . . *Hogs*, seasonal declines in fall but above a year earlier, under a year ago in winter . . . *Lambs*, continue decline through summer but to remain above last year through rest of 1962 . . . *Milk*, wholesale expected to increase through December more than in 1961 . . . *Eggs*, rising but likely to stay below 1961 through most of the year . . . *Broilers*, in September–October some decline from present but likely to continue above a year before . . . *Turkeys*, in September–December probably average moderately above a year earlier.

LIVESTOCK

Production of red meat in 1962 is expected to total 28.9 billion pounds, a little more than 1 percent over 1961. This supply likely will provide about 161 pounds per person, near last year's rate. Seasonal increases in livestock marketings are underway. This year's calf crop is estimated about 2 percent larger than in 1961. January cattle and calf inventory probably will gain about same number as last year. This year's lamb crop is forecast at 20.4 million head, down 4 percent from last year. Fall pig crop this year will be 2 percent larger than in 1961, if planned farrowings take place. Marketings of sheep and lambs in second half are expected to be off somewhat more than the estimated

4 percent smaller 1962 lamb crop would indicate. Hog marketings through summer probably will be near a year ago.

CROP PRICES

Wheat, higher than usual following harvest . . . *Feed grains*, to continue about same as a year earlier through fall . . . *Soybeans*, this fall a shade under the national support of \$2.25 a bushel . . . *Fruit*, probably lower for *deciduous* in late summer and fall than a year ago . . . *Citrus*, down seasonally in late fall . . . *Fresh vegetables*, low seasonally, somewhat lower for *cantaloupes* and *watermelons* . . . *Canned and frozen vegetables*, average near last season.

FATS AND OILS

Early August indications point to new record large supplies of edible fats, oils, and oilseeds in the United States during the marketing year beginning October 1. Prospects are that they will total around 16.8 billion pounds (oil equivalent) or about 6 percent more than the 1961–62 peak.

TURKEYS

A 10–12 percent reduction in per capita supplies is expected during September–December compared with a year earlier.

EGGS

A decline of about 2 percent in flock size in October–December, compared with these months last year, may about

offset a year-to-year gain in number of eggs produced per layer, but production in the last half of 1962 will likely average higher than a year ago.

DAIRY

Present indications are for milk production this year to be between 126 and 127 billion pounds. Milk used in manufacturing dairy products which move into commercial channels was about 3 percent below a year earlier in the first half of 1962.

FRUIT

Through the remainder of summer, total supplies of deciduous fruits available for fresh market shipment are expected to be about as large as a year earlier, but supplies of fresh citrus will be lighter.

BROILERS

Output in the third quarter may be down by about 3 percent from the like period of 1961.

WOOL

World wool production in 1962-63 is estimated at 5,705 million pounds (grease basis). This is 5 million pounds less than the record high in 1961-62. The estimate indicates about 11 million pounds less production in the five major surplus producing countries of the Southern Hemisphere.

Popcorn Acreage For Harvest Down 11 Percent

The Nation's popcorn growers expect to harvest 182,000 acres this year, 11 percent below the 204,000 acres harvested last year but 6 percent above the average of 174,000 acres harvested.

All States except Iowa plan to harvest less acreage this year than in 1961. Iowa expects no change.

Indiana again leads the States with 37,000 acres for harvest. Iowa is a close second with Illinois third. Kentucky is fourth. Crop prospects on August 1 were good to excellent.

More Cranberries This Year

A record large cranberry crop is forecast for 1962. The estimated production of 1.4 million barrels is 13 percent greater than last year and 30 percent above average. The previous record was set in 1960 when production totaled 1.3 million barrels. Massachusetts, the most important cranberry State, accounts for all of the increase over last year since prospects are down in the other four States (New Jersey, Wisconsin, Washington, and Oregon). However, all five States expect production to be above the 1951-60 average.

In only one other year (1960) did Massachusetts produce more cranberries than the 740,000 barrels expected this season. The large crop is in prospect even though acreage has been declining since 1949. Bogs had one of the best blooms ever observed and the set of fruit was excellent. Spring frost damage was negligible, and even though dry weather threatened the crop, early

August rains alleviated that situation. The crop is about a week later than usual, but some harvest will start right after Labor Day.

New Jersey's production is expected to be 8 percent below last year although about 25 percent larger than the 1960 crop. Some frost damage occurred in May, particularly in bogs that were drained early. Bloom was generally good, and insect injury has been light.

Only twice has production in Wisconsin exceeded the 1962 prospects—1959 and 1961. The season has been cooler than usual, and fruit may not size as well as in most years.

Production in both Washington and Oregon is down sharply from last year. Spring frosts damaged unprotected bogs, and subsequent cool weather delayed berry development.

Earl S. Park
Statistical Reporting Service

1961-62 FARM EXPORTS SET VALUE RECORD

In the fiscal year that ended June 30, 1962, American farmers sold more abroad than ever before. Value, at \$5,139 million, was 4 percent above the previous record. Volume was equal to the peak of a year earlier.

Feed grain exports increased \$162 million and wheat \$132 million, while cotton declined \$272 million. Soybeans, fruits, cottonseed and soybean oils, poultry meat, tobacco, and vegetables increased moderately. Rice, variety meats, animal fats, hides and skins, and dairy products showed little or no change.

The record added up to 15 percent of cash receipts from farm marketings. The foreign market provided an outlet for over half of the wheat, rice, and dried peas produced; two-fifths of the tallow; and a third of the tobacco, cotton, soybeans (including bean equivalent of oil), nonfat dry milk, and hides and skins.

Nearly 70 percent of exports were sales for dollars; these totaled \$3.5 billion, a new record. Dollar sales included, in addition to unassisted commercial sales, some commodities with Government assistance in the form of short-term credits, sales of Government-owned commodities at less than domestic prices, and export payments. Dollar sales of feed grains increased in value by one-fourth, followed by wheat, tobacco, soybeans, fruits, and animal products. Dollar exports of cotton decreased by one-third.

The remaining 30 percent of exports moved under Public Laws 480 and 665. Shipments under these programs totaled \$1.6 billion, compared with \$1.5 billion in the previous year.

Exports of *animals and animal products* totaled \$627 million compared with \$613 million a year ago. Gains in tallow, variety meats, and poultry meat were about offset by declines in lard and other products.

Cotton exports, excluding linters, totaled 4.8 million running bales compared with 7 million in 1960-61, reflect-

ing the substantial drop in inventories and consumption in foreign importing countries.

Exports of fruits and preparations—a record \$282 million, compared with \$254 million in 1960-61—were stimulated by the small deciduous crop and further relaxation of trade restrictions in Western Europe.

Shipments of *wheat and flour* were a record 716 million bushels, compared with 661 million a year ago, with increases occurring both in sales for dollars and under Government programs.

Feed grain exports, excluding products, were a record 14 million metric tons, compared with 11 million a year earlier. Canada needed more corn to supplement reduced feed supplies after the 1961 drought. Britain substituted corn imports for other grains. Japan and Western Europe took more for their expanding livestock industry. Other major producing countries had less feed grains to export.

Exports of *milled rice* declined to 20.3 million bags from 21.5 million in 1960-61, mainly to Asia under Government programs. Dollar sales were up one-fourth, notably to Western Europe.

Soybean exports totaled 147 million bushels, breaking the previous record of 143 million in 1960-61. Many industrialized countries in Western Europe increased their purchases of soybeans in lieu of vegetable oils to obtain protein meal. Also helping exports were the record U.S. production and relatively small supplies of beans available from Communist China. U.S. exports increased from 20 percent of world trade in 1950-54 to one-third in 1962.

Exports of *cottonseed and soybean oils*, including Title III, Public Law 480, donations, totaled 1.5 billion pounds, 15 percent above a year earlier. About 60 percent moved under Government programs.

Exports of unmanufactured *tobacco* totaled 520 million pounds, export weight, 3 percent above last year.

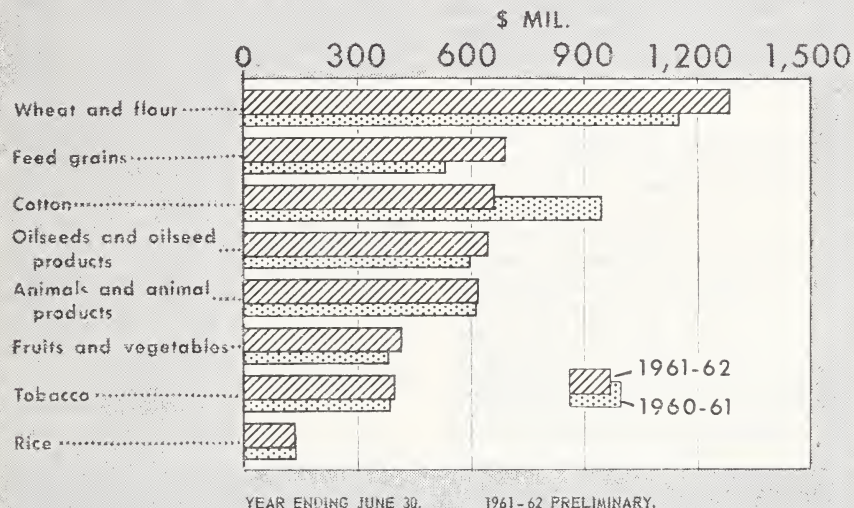
Western Europe purchased more because of blue mold damage to its 1961 crop. Higher prices advanced export value to a new record.

Vegetables and preparations totaled \$136 million, compared with \$127 mil-

lion in 1960-61, with a sharp decline in dried beans more than offset by gains in white potatoes and canned vegetables.

Dewain H. Rahe
Economic Research Service

Wheat and Feed Grains Dominated 1961-62 Advance in Agricultural Exports



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 1250-62 (7) ECONOMIC RESEARCH SERVICE

Annual Peanut Consumption Averages 5 Pounds Per Person

The major domestic growing regions of the peanut, all in the Southern United States, are: the Virginia-Carolina Area, the Southeastern Area, and the Southwestern Area. Three major varieties are grown: the Virginia type, the Spanish, and the Runner.

In 1961, a total of 1,743 million pounds of peanuts were produced on 1,429 thousand acres. Approximately one-third of this production occurred in the Virginia-Carolina Area, one-half in the Southeastern Area, and one-fifth in the Southwestern Area.

Total civilian consumption of peanuts for food use now stands at 900 million

pounds yearly (kernel basis). This amounts to 5.0 pounds per person per year.

If you are an average American peanut consumer, chances are you consume your share as follows: 2.5 pounds in the form of peanut butter, 1.0 pound as salted nuts, 0.8 pound in peanut candy, 0.2 pound in peanut butter sandwiches, and one-half pound as roasted peanuts.

Per capita consumption is expected to continue at a steady rate in the near future with total domestic disappearance trending upward.

Stanley A. Gazelle
Economic Research Service

STABLE TO SLOWLY EXPANDING MARKET FOR SWEETPOTATOES AHEAD

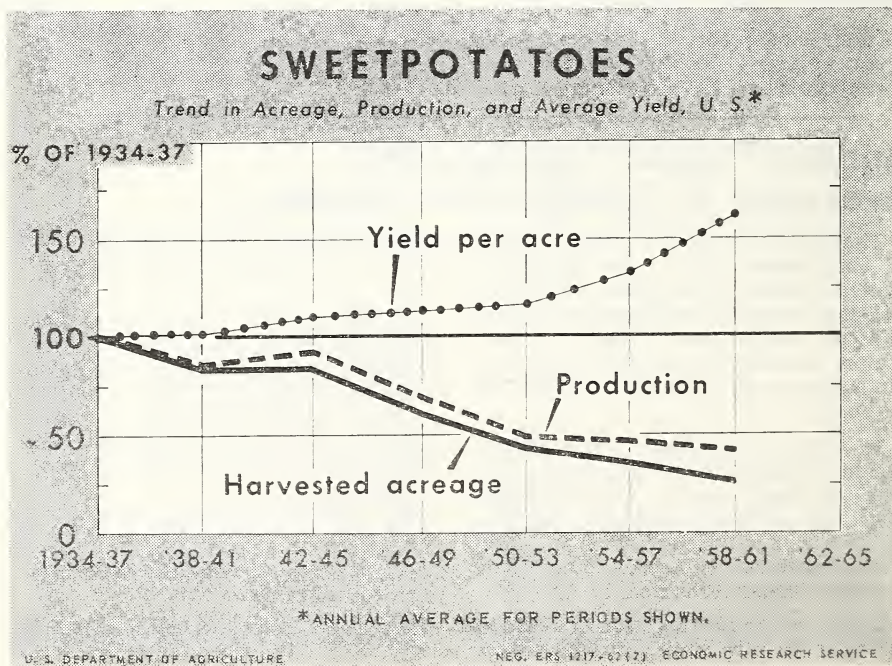
Drastic changes have occurred in the sweetpotato industry over the last 25 years. Highlighting the changes have been a declining consumer demand for sweetpotatoes, an increasing trend toward specialization and concentration of production, and greatly improved breeding and cultural practices. The results have been a sharp decline in acreage and production, a big increase in yield and significant shifts in the producing areas.

In the period 1958-61 farmers harvested an average of 226,000 acres of sweetpotatoes annually (only a fourth of the acreage of 1934-37). Despite an increase of more than 60 percent in yield per acre, production during the 25-year period declined more than 50 percent. Production in the West, never a major producing area, increased from the mid-1930's to 1958-61, but in the latter period still made up only about 6 percent of the U.S. total. Production declined in all other major geographic areas. Despite a 16-percent decline in

tonnage, the Central Atlantic area gained in relative importance from 12 to 23 percent of the national total. All other major producing areas declined in importance, although the Central States still produce almost 50 percent of the U.S. total.

The future of the sweetpotato industry in this country, like that of many other crops, depends upon a complex of social and economic forces. Some of the forces which caused the rapid decline in the industry during the last 25 years will continue to operate during the next few years. On balance, however, the future seems more favorable than the past, with some evidence that the decline in production has been halted. Increased use of processed products, including the recently developed sweetpotato flake, may result in a stable to slowly expanding market for sweetpotatoes in this decade.

Will M. Simmons
Economic Research Service



THE 1963 ACREAGE-MARKETING GUIDES



A 4-percent cut in total winter vegetable acreage should just about balance supplies with demand, according to USDA's 1963 Acreage-Marketing Guides. Potato growers are advised to plant an acreage equal to 1962. The acreage-marketing guides are based on an analysis of the potential market for each of these vegetable crops.

Some of the specific crop recommendations:

Snap beans: This crop recovered well from the severe 1962 winter and in general was marketed under favorable conditions. Growers would be wise to plant an equal acreage in 1963.

Cabbage: High prices last winter resulted directly from severe weather damage. Had conditions been favorable the crop would have been excessive. This year a 20-percent cut is recommended in California, Arizona, and Texas, with plantings the same as last year in Florida.

Carrots: Average yields were low in 1962 and markets readily absorbed the resulting crops. In anticipation of normal yields in 1963, a 10-percent cut in acreage is recommended.

Celery: Growers cut acreage in 1962 following several disappointing seasons. Resulting supplies were about in balance with market requirements. USDA recommends that growers hold the line this winter and plant the same acreage as last year.

Sweet corn: There is a market for a supply equal to that produced in 1962. With average yields, a 10-percent acreage increase would be required to match last year's crop.

Lettuce: Adverse weather destroyed part of the crop last winter, but growers sold their remaining production at attractive prices. An equal acreage in 1963 would be enough to balance supplies with market outlets.

Green peppers: With average yields next winter, a larger pepper acreage would be required to satisfy market demand. A 10-percent increase should be about right.

Spinach: Weather damage contributed much to high prices for spinach last winter. But there will be a market for substantially more spinach next year. A 10-percent acreage increase is recommended.

Tomatoes: An acreage equal to 1962 is called for. With average yields this would supply a crop moderately smaller than in 1962 but ample for market requirements.

Potatoes: The 1962 winter crop sold in competition with heavy storage supplies and prices averaged low to moderate. This winter, storage supplies can again be expected to hold down winter markets. So USDA suggests that growers hold plantings in line with last year.

Other recommendations call for equal acreages of beets, cauliflower and kale, a 5-percent cut for escarole and a 10-percent cut for broccoli. These guides are prepared by specialists who make a running analysis of the market for vegetables throughout the year.

This summary only touches the high points of the USDA recommendations. For more details you can get a free copy of the guides by dropping us a card. Our address:

*Agricultural Situation
MOS Information Div., USDA
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The Farmer's Share

In June 1962 the farmer's share of the consumer's food dollar was 38 cents, the same as it was in May. In June 1961, the farmer's share was 37 cents.

For the first time . . .

REFRIGERATED STORAGE CAPACITY EXCEEDS ONE BILLION CUBIC FEET

On October 1, 1961, the national refrigerated storage capacity, excluding Alaska and Hawaii, totaled 1,024 million cubic feet, a gain of about 82 million since October 1, 1959. For the first time on record, storage capacity topped the 1-billion-cubic-foot mark. During the last 2 years a 5-percent gain in public general warehouse capacity—26 million cubic feet—raised space availability in such warehouses to 554 million; private and semiprivate capacity was up 37 million to 193 million cubic feet; the capacity in apple houses (rooms used primarily for apples and/or pears), augmented by 18 million cubic feet, totaled 225 million; and meatpackers reported their storage capacity increased 1 million to a total of 52 million cubic feet.

The increase in national refrigerated capacity was distributed unevenly as to region and temperature. This was expected in view of the pattern of long-term growth of freezer capacity and a declining need for cooler space in some areas. Freezer space (0° F. or lower) rose 56 million cubic feet from 1959 to 1961 and totaled 516 million cubic feet in 1961. Cooler capacity (space that can only hold temperatures above 0° F.) gained 26 million to a total of 508 million cubic feet during the same period.

The net effect of increased demands for freezer space in the Nation is illustrated by the following percentages. As late as 1951, freezer space comprised 30 percent of the national refrigerated capacity. By 1961, it had increased to almost 51 percent of the total.

Increased freezer capacity was due largely to changes within the public general warehousing industry. Of the 303 million cubic feet of freezer capacity added to the national total since 1951, about 212 million cubic feet were added in public general warehouses; 84 million, in private and semiprivate facilities; and the remaining 7 million cubic feet, in meatpacking plants and fruit houses.

The 1961 survey showed that approximately 74 percent of the total national freezer capacity of 516 million cubic feet was for public general space; 22 percent, for private and semiprivate use; and 4 percent was in meat packing and a small number of fruit houses.

Regionally, facilities in the Pacific, South Atlantic, and East North Central regions, in that order, increased their total capacities since 1959 substantially more than did facilities in other regions of the country. Almost 59 million more gross cubic feet were reported in these three regions than 2 years earlier. This is 72 percent of the national gain during this period.

During the decade ended 1961, the national refrigerated capacity increased 44 percent, compared with a 10-percent gain in the total resident population in the United States (excluding Alaska and Hawaii). On a per capita basis, the refrigerated warehousing industry had about 5.6 cubic feet of storage space for each person, 1 cubic foot more than in 1951.

In summary, gross storage capacity increased in 38 States, decreased in 9, and was unchanged in 1 and the District of Columbia since the 1959 survey. California, with a 14-million-cubic-foot gain, and Florida, with 11 million, outranked gains in other States. Washington, California, New York, Illinois, and Florida were the leading States ranked in order of total gross capacity.

There was a high degree of clustering of capacity in certain population centers. About 40 percent of the national capacity was in 728 plants in 36 metropolitan areas. Chicago, New York, Kansas City, Los Angeles, and Philadelphia, in that order, were the principal storage areas in the country on the basis of total warehouse capacity.

Julius A. Brosa
Statistical Reporting Service

Meet The State Statistician . . .



Miles McPeck, of Arkansas, is too modest to make such a claim, but he's probably the foremost ex-bronc-riding, centerfielding, ice-cream maker in the Statistical Reporting Service.

The bronc riding came naturally on the McPeck family's 1,000-acre farm near Mulhall, Okla. So naturally that Miles' brother Mark became an outstanding rodeo performer. Miles says his own inclination ran more toward automobiles and baseball, and he played centerfield for Oklahoma A. & M. while earning a degree in agricultural economics in 1929. The farm was in good hands, and jobs were where you found them in those days; McPeck found one in an ice-cream plant, first in Enid, then in Guthrie, and then Oklahoma City.

When the Agricultural Adjustment Program was started in 1933, there was a need for facts and figures to guide the program and for young men trained in statistics and economics to bolster the staffs of the State agricultural statisticians. McPeck quit making ice cream to become a "corn-hog junior" statistician in Kansas, where he worked for 5 years, by day. By night, he took more college training in statistics, and at one time hired a tutor in mathe-

MILES McPEEK

matics to get the specialized help he felt he needed. Then came 4 years of statistical work in Washington, accompanied by more night classes in USDA's graduate school. Following 4 years as a statistician in Louisiana, he moved to Little Rock, in charge of the Arkansas Crop Reporting Service, in which the U.S. Department of Agriculture and the University of Arkansas cooperate.

From their headquarters in Little Rock, with the cooperation of several thousand farmers and businessmen, McPeck and his staff apply the statistical measuring stick to every important aspect of Arkansas' \$750-million-a-year agricultural industry, involving around 100,000 farms.

It is their statistics which establish cotton as responsible for more than a third of the State's farm income; their figures chart the expansion of the broiler industry and Arkansas' climb to the No. 2 position among the States. In production of cotton, rice, soybeans, peaches, watermelons, strawberries, and vetch seed, Arkansas ranks among the top 10 States.

McPeck and his wife, the former Helen Bucknam, of Crescent, Okla., glow with quiet satisfaction over the numerous scholarships earned by their three children, who now live near Boston, Mass.: Dr. J. B. McPeck is on the staff of Massachusetts General Hospital; Miles, Jr., is a graduate student in educational research at Harvard; and Mary Helen is earning A's in English at Radcliffe College.

Miles is an ardent Rotarian, and both the McPeeks are active in church and continue their interest in Boy Scouts and Girl Scouts. As often as possible, they get back to Oklahoma to visit Miles' mother, still in good health at 84; to look over the cattle and wheat on the farm, in which Miles has more than a sentimental interest; and to take a ride on a well-gentled horse.



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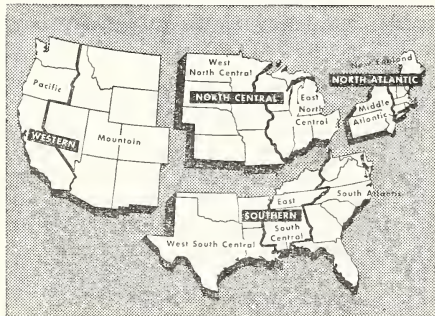
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